



United States Department of the Interior

BUREAU OF RECLAMATION

Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898

IN REPLY
REFER TO:

January 16, 1998

MP-3200
FIN-4.40

Honorable Bruce Babbitt
Secretary of the Interior
Washington DC 20240

Subject: Bay-Delta Ecosystem Restoration Appropriation -- CALFED Policy Team
Recommendations

Dear Mr. Secretary:

The CALFED Policy Team (Policy Team) met on November 24 and December 19, 1997, to review and approve project recommendations received from the Bay-Delta Ecosystem Technical Teams and the Integration Panel as a result of the recent Request for Public Project Solicitation Process initiated by the State of California. The process used to identify the selected project proposals is described in Attachment A. At this time, the Policy Team is recommending your approval for funding of those proposals, as identified below, from the Bay-Delta Ecosystem Restoration Federal Appropriation.

CALFED's current request is for \$23,303,010 from the Bay-Delta Ecosystem Restoration Appropriation for the following proposals. We expect the Policy Team to recommend approval of an additional \$26,600,000 at their January 26, 1998, meeting. The package from the January 26, 1998, meeting will include additional proposals selected from the State's Proposition 204 Public Project Solicitation Process (also called a Request for Proposal or RFP). The Policy Team will meet again in February 1998 to provide recommendations for the remaining \$35,096,990 from the Fiscal Year 1998 Bay-Delta Ecosystem Restoration Appropriation. A final list of recommendations will be forwarded for your approval in a separate request sometime after that February meeting.

Projects Selected for Federal Funding from the Public Project Solicitation Process:

1. Project Title: Liberty Island Acquisition

Agency: U.S. Fish and Wildlife Service (DOI)

Recommended Funding: \$8,577,000

Project Description: Acquisition of Liberty Island (4,760 acres) for future restoration of native Delta habitats and species. Strategic location in north Delta at southern end of Yolo Bypass provides potential wetlands, shaded riverine aquatic habitat, instream habitat for winter

run, Delta smelt, splittail, and other species. Funding will cover full acquisition cost. Restoration funding not identified.

2. Project Title: San Joaquin Floodplain Acquisition and Riparian Restoration

Agency: U.S. Fish and Wildlife Service (DOI)

Recommended Funding: \$10,647,000

Project Description: Acquisition, preservation, and restoration of 6,169 acres of fish and wildlife habitat on the San Joaquin River floodplain for the San Joaquin River National Wildlife Refuge. Benefits to migratory birds and other bird species, splittail, and San Joaquin fall run chinook. Provides some flood protection through widening of floodplain and transient storage of flood waters. Combined funding will cover the total cost of the project.

3. Project Title: Bear Creek Floodplain Restoration Demonstration Project

Agency: U.S. Fish and Wildlife Service (DOI)

Recommended Funding: \$334,000

Project Description: Feasibility analysis for restoring floodplain function along the San Joaquin River and Bear Creek on public lands in order to provide flood protection benefits, enhance shaded riverine aquatic habitat and wetlands, and improve instream habitat for the San Luis National Wildlife Refuge Complex. Benefits to migratory birds, San Joaquin fall run chinook salmon, and several other fish species are expected. Combined funding will cover the total cost of the project.

Total for U.S. Fish and Wildlife Service: \$19,558,000

4. Project Title: Watershed Improvements/Sediment Stabilization (Deer, Mill, and Antelope Creeks)

Agency: U.S. Forest Service (USDA)

Recommended Funding: \$371,000

Project Description: Program to reduce generation of fine sediment from upland, riparian, and road-related sources in three watersheds utilized by spring run salmon and steelhead in Lassen National Forest. Stabilization measures would be implemented in known problem areas, and inventory, design, and planning measures pursued for remaining road-related problems. Includes identification of willing sellers for potential land exchange related to acquisition of riparian areas.

Total for U.S. Forest Service: \$371,000

5. Project Title: Sedimentation Movement and Availability and Monitoring in the Delta

Agency: U.S. Geological Survey (DOI)

Recommended Funding: \$587,010

Project Description: Sediment transport research and monitoring at several sites in Suisun Bay and the Delta to help guide water quality and restoration planning activities. Recommend funding for the first 2 years of the project in the amount of \$587,010 (total estimated project cost is \$1,046,000).

6. Project Title: Assessment of Organic Matter in the Habitat and its Relationship to the Food Chain

Agency: U.S. Geological Survey (DOI)

Recommended Funding: \$517,000

Project Description: Research proposal for a comprehensive assessment of the production, import, utilization, and export of the organic matter that serves as food resource for fish in their early life stages. Lower trophic level ecosystem functions potentially limit fish population growth in the Delta. Benefits to multiple fish species. Recommend first year funding (total estimated project cost is \$1,400,000 for a 3-year project).

Total for U.S. Geological Survey: \$1,104,010

Projects Selected for Federal Funding from the CALFED Directed Programs Process:

Funding is also being requested for the CALFED Program in support of the following four programs:

1. Project Title: Integrated Phasing Strategy

Agency: U.S. Bureau of Reclamation (DOI)

Recommended Funding: \$1,647,000

Project Description: In order to restore the Bay-Delta ecosystem using adaptive management, a logical set of priorities must be established based on the current understanding of the system. Actions need to be selected to address these priorities and the results of these actions need to be evaluated to refine priorities in future years. A strategy for phased implementation of the Ecosystem Restoration Program Plan (ERPP) needs to be developed to lay out these priorities and identify the near-term restoration actions to address them. The strategy for phased implementation of ecosystem restoration activities is described in the ERPP, essential to the

conservation strategy being developed to comply with the Endangered Species Act, and the basis for setting funding priorities for near-term restoration in the guidance document.

The phased implementation strategy will require technical input on three levels including a) additional technical assistance at the staff level; b) establishment of a standing science panel composed of independent scientists and local stakeholder, agency, and independent specialists; and c) a panel of scientists (without local stakeholder, agency, or other independent specialists).

2. Project Title: Coordinated Permitting

Agency: U.S. Bureau of Reclamation (DOI)

Recommended Funding: \$282,000

Project Description: Facilitation of timely review and necessary action on permits will be required for implementation of near-term ecosystem restoration projects. This effort will also lay the groundwork for a coordinated approach on permit coordination for the eventual implementation of the CALFED Bay-Delta Program (CALFED Program).

3. Project Title: Development of a Watershed Management Program

Agency: U.S. Bureau of Reclamation (DOI)

Recommended Funding: \$184,000

Project Description: Successful and durable solutions to complex water quality problems which affect environmental resources are best approached from the perspective of an entire watershed. Through this approach, local pollution prevention and control activities are coordinated with similar activities to enable a concerted effort to alleviate ecosystem and water quality problems. Coordination of these efforts also results in the exchange of information, sharing of experiences, and development of more efficient solutions.

4. Project Title: Comprehensive and Coordinated Monitoring and Research Program (CMARP)

Agency: U.S. Bureau of Reclamation (DOI)

Recommended Funding: \$157,000

Project Description: The Interagency Ecological Program (IEP) and the San Francisco Estuary Institute are going to be working with the CALFED Program staff and stakeholders to develop CMARP for the Bay-Delta and its watershed. CMARP will include a structure and process for integrated data management, data analysis, and reporting. Monitoring elements for near-term ecosystem restoration need to be integrated with CMARP so that restoration proposals contain monitoring elements to determine whether stated objectives have been met and to

provide guidance for assessing future restoration needs. This special support program will fund a portion of a system which does the following: reviews monitoring, assessment, and reporting plans prior to implementation; standardizes data collection methodology, format, and storage; and reviews, evaluates, and circulates results to all interested parties.

Total for U.S. Bureau of Reclamation: \$2,270,000

The Policy Team recommends funding in the amount of \$23,303,010 for the above referenced proposals from the Bay-Delta Ecosystem Restoration Appropriation and would like your approval so that they move forward as soon as possible.


Sincerely,



Roger K. Patterson
Regional Director

Attachment

Approved: _____



Secretary of the Interior

FEB 13 1998

Date

cc: Assistant Secretary - Water and Science, DOI (Attention: David Cottingham)
Director of Budget, DOI (Attention: Frank Lane)
Commissioner, U.S. Bureau of Reclamation, DOI
Executive Director, CALFED Bay-Delta Program

Attachment A

Following is a description of the two methods used to identify proposals for funding from the Bay-Delta Ecosystem Restoration Appropriation. After the Policy Team representatives prepare the final list of recommended actions (in either the Public Solicitation Process or the CALFED Directed Programs Process), they will forward that list to the Secretary of the Interior and the State of California's Resources Secretary for final approval. Upon project selection approval by the Secretary of the Interior, the Bureau of Reclamation will issue an Interagency Agreement (as defined in a Memorandum of Understanding with signatory Federal CALFED partners in the Bay-Delta process) obligating funds for individual projects to the sponsoring federal agency. In addition, an individual project progress report will be prepared for each funded proposal for submittal to Congress within 30 calendar days after the close of each quarter of the fiscal year.

Public Project Solicitation Process

Under the Public Project Solicitation Process, CALFED will identify stressors and actions to be addressed based upon the Ecosystem Restoration Program Plan near-term priorities. They will prepare a package to solicit applications and develop evaluation criteria. Project and program proposals can be provided by a variety of sources including state and federal agencies, local governments, special districts, non-profit organizations, other organizations, and private individuals interested in ecosystem restoration. Criteria for selection of proposals will be prepared and applied to all applicants. The evaluation criteria will be used to guide selection of actions to address the priority species and habitats. The program staff, working with technical review panels, will review and rank the proposals using the evaluation criteria. The list of recommended proposals, along with the advice from the Ecosystem Roundtable will be forwarded through the CALFED Program staff to the Bay-Delta Advisory Council (BDAC) for its advice. BDAC will transmit its advice through the CALFED Program to the CALFED agencies through the CALFED Policy Team.

CALFED Directed Programs Process

The CALFED Directed Programs Process is initiated by CALFED agencies. The CALFED Program staff, working in conjunction with CALFED agencies, may determine that certain specific projects are needed to adequately address Ecosystem Restoration Program Plan priorities. The CALFED Program may develop project proposals and designate state and/or federal agencies to implement the action(s). The list of proposed projects prepared by the CALFED Program will then be forwarded to the Ecosystem Roundtable for its review and advice. The list of recommended proposals, along with the advice from the Ecosystem Roundtable will be forwarded through the CALFED Program staff to BDAC for its advice. BDAC will transmit its advice through the CALFED Program to the CALFED agencies through the Policy Team.